IN THE CLAIMS:

Please amend the claim as follows:

1-6. (Canceled)

- 7. (Currently Amended) An optical transmission apparatus comprising:
- a light source that generates light having a continuous wave;
- an optical intensity modulator that converts the light having continuous wave into an optical intensity signal based upon an input electric signal;
 - a differential encoder that encodes the input electric signal;
- a duobinary filter that converts the encoded 2-level electric signal into a 3-level electric signal; and
- a polarization-shaped modulator that polarization-modulates the signal modulated an optical intensity signal by using the electric signal converted by a 3-level.
- 8. (Original) An optical transmission apparatus as claimed in claim 7, further comprising at least two operation amplifiers that drive the optical intensity modulator and the duobinary filter, respectively.
- 9. (Original) An optical transmission apparatus as claimed in claim 7, wherein the optical intensity modulator comprises a single-armed X-cut interferometer type optical intensity modulator.

- 10. (Original) An optical transmission apparatus as claimed in claim 7, wherein the optical intensity modulator comprises a dual-armed Z-cut interferometer type optical intensity modulator.
- 11. (Original) An optical transmission apparatus as claimed in claim 7, wherein the differential encoder comprises:
 - a power splitter that splits a power level of the input electric signal;
 - a delay element which delays one of the split power signals by predetermined bits; and a power combiner that synthesizes the split power signals.
- 12. (Original) An optical transmission apparatus as claimed in claim 7, wherein the duobinary filter comprises a low pass filter having a bandwidth corresponding to about 1/4 of a data transmission speed.
- 13. (Original) An transmission apparatus as claimed in claim 12, wherein the duobinary optical signal has a transmission characteristic that can be adjusted by regulating the bandwidth of the low pass filter.
- 14. (Original) An optical transmission apparatus as claimed in claim 7, wherein the light source comprises a semiconductor laser.

- 15. (Original) An optical transmission apparatus comprising:
- a differential encoder that encodes an input electric signal;
- a duobinary filter that converts the encoded 2-level electric signal into a 3-level signal;
- a light source that generates light having a continuous wave;
- a polarizer that adjusts a polarization of the light from the light source;
- a Mach-Zehnder modulator that receives first and second separated light input from the polarizer, the Mach-Zehnder modulator including an upper arm and a lower arm, the upper arm modulating a polarization of the first separated light based upon the 3-level duobinary signal input from the duobinary filter, the lower arm adjusting a phase of the second separated light; and
- a faraday rotator that matches a polarization axis of the light input to the lower arm of the Mach-Zehnder modulator with an electro-optic effect axis of the Mach-Zehnder modulator.
- 16. (Original) An optical transmission apparatus as claimed in claim 15, further comprising an operation amplifier that drives the duobinary filter.
- 17. (Original) An optical transmission apparatus as claimed in claim 15, wherein the polarizer is slanted about 45 degrees with respect to an electro-optic effect axis of the Mach-Zehnder modulator.

- 18. (Original) An optical transmission apparatus as claimed in claim 15, wherein the differential encoder comprises:
 - a power splitter that splits a power level of the input electric signal;
- a delay element that delays one of the split power signals by a predetermined number of bits; and
 - a power combiner that synthesizes the split power signals.
- 19. (Original) An optical transmission apparatus as claimed in claim 15, wherein the duobinary filter comprises a low pass filter having a bandwidth smaller than that of the input electric signal